

***EXECUTIVE SERVICE CORPS***

*A Division of*



***ZERO-BASED MANAGEMENT REVIEW***

*OF THE*

*CITY OF SAN DIEGO'S*

**DEVELOPMENT SERVICES  
DEPARTMENT**

*August 12, 2004*

*A Report by  
Nonprofit Management Solutions/Executive Service Corps  
For the City Manager and  
City Council Select Committee for  
Government Efficiency and Fiscal Reform*

## ***Foreword***

*The Executive Service Corps Division of Nonprofit Management Solutions is pleased to forward this Zero-Based Management Review, which represents hundreds of hours of research and interviews undertaken by volunteer consultants, experienced in the area of their study focus.*

*We wish to express our gratitude for the generous contribution of time, talent and expertise these citizen consultants provided to produce the recommendations forwarded to the City of San Diego at this time.*

*When citizens and government and elected officials work together...*

**THE RESULTS CAN BE  
OUTSTANDING!**

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## THE ZERO-BASED MANAGEMENT REVIEW PROCESS

Zero-Based Management Review (ZBMR) is an eight-year-old program originated by Linc Ward of the Mayor's Change<sup>2</sup> Committee, sponsored by the City Manager, performed under the aegis of the City Council Select Committee for Government Efficiency and Fiscal Reform, and coordinated under the management of Nonprofit Management Solutions' Executive Service Corps Division (NMS/ESC). This report is one of the products of that ZBMR effort.

A select corps of citizen volunteer consulting teams are recruited, trained and supported by NMS/ESC to conduct departmental systems assessments. The ZBMR corps is comprised of recently retired and semi-retired individuals, as well as loaned executives and working professionals representing a broad range of private and public sector business background. All have demonstrated a commitment to management effectiveness and an ability to contribute through their knowledge, experience and expertise.

A typical assignment involves the recruitment of executive-level volunteers who possess the management skills and experience appropriate for their task. A kick-off meeting is conducted with the Department Manager, Linc Ward of the Select Committee, the ZBMR study team, and appropriate levels of the city departments in the operations to be reviewed. The team spends several sessions in the field, applying a macro-management viewpoint. They also conduct research of comparative practices in other cities across the nation. Their reviews focus on operations to determine answers to the following questions:

- Is this work function consistent with City goals and direction?
- Is this work function (and its related functions) effective and efficient?
- Is this work function consistent with other related functions?
- Can this function be done elsewhere?
- Is it competitive with private industry?

At the end of their review, the NMS Volunteer Coordinator and Linc Ward finalize a report for the Department Directors, the City Manager, and the Select Committee on Government Efficiency and Reform. The Select Committee's Chair Brian Maienschein and Select Committee members meet periodically to assess implementation progress on the recommendations contained in these reports.

Nonprofit Management Solutions (NMS) has provided comprehensive management assistance to the public sector and nonprofit organizations in the region since 1984. NMS is a volunteer-driven and client-centered nonprofit technical assistance resource that provides high-quality management assistance through cost-effective consulting, training and development services. NMS has built a significant track record of high-quality service to public and private nonprofit institutions, including Arts and Culture, San Diego Community Foundation, Neighborhood House, the Public Health Departments of San Diego and San Bernardino Counties, along with other public and private institutions.

# **ZBMR VOLUNTEERS PROFILE**

## **SAN DIEGO**

### **DEVELOPMENT SERVICES DEPARTMENT**

Teams of private industry executives and Select Committee District Representatives conducted an analysis of the San Diego Development Services Department during the time period from December 2003 through February 2004.

The team members were:

- **WILMER COOKS** **PRESIDENT, HALLMARK ASSET MANAGEMENT**
- **TOM CRANE** **RETIRED MILITARY - CONSULTANT**
- **GEORGE DRIVER** **LCD MANAGEMENT CONSULTANT**
- **JIM SCHMIDT** **RETIRED PRESIDENT, GREAT AMERICAN BANK**
- **KEN SULZER** **CONSULTANT, EX-SANDAG EXECUTIVE DIRECTOR**

#### **SELECT COMMITTEE MEMBERS**

**ANDY BERG**  
**ROBIN STUTSMAN**

**SELECT COMMITTEE MEMBER, DISTRICT 1**  
**SELECT COMMITTEE MEMBER, DISTRICT 5**

These volunteers represent examples of the finest executive and professional skills in the community, bringing a wealth of management and operational experience, success and know-how to the Zero-Based Management Review (ZBMR) process.

The following personnel provide overall coordination of the ZBMR process:

#### **PROJECT DIRECTOR:**

Linc Ward, Chair of Zero-Based Management Review for the City Council Select Committee for the Government Efficiency and Fiscal Reform.

#### **VOLUNTEER CONSULTING SERVICES COORDINATOR:**

Ed Sternagle, Nonprofit Management Solutions/Executive Service Corps.

## **I. EXECUTIVE SUMMARY**

### **BACKGROUND**

At the request of the City Manager, the scope of this ZBMR report is limited to the following specific Development Services Department (DSD) study areas:

- Customer Service Training
- Impact of City Regulations
- Staff Performance
- ZBMR Recommendation Implementation Status

An outside consultant organization and a special audit committee are also conducting DSD studies.

The last complete ZBMR DSD study was conducted in March 2000. A ZBMR Performance Monitoring Review (PMR) was conducted in September 2003. In conjunction with a department services fee adjustment approved in May 2003 this second complete ZBMR study has been initiated. Unlike the first complete ZBMR study that analyzed the efficiency and effectiveness of various department functions and services (a vertical view), this study focuses on some operating characteristics that transcend all department functions (a horizontal view) such as customer service, department culture, outside operational influences (i.e., regulations), etc., effecting department efficiency as well as how DSD operations effects housing affordability.

DSD senior management and staff seem eager to embrace a customer service orientation and want to genuinely satisfy customers. Their outstanding technical leadership, however, lacks the skills to successfully implement a thorough customer service culture and positive staff mentality. They need professional assistance to accomplish this essential goal.

The ZBMR Team used a “top-down consultancy” model to conduct this study producing a series of recommendations. All DSD staff were extremely cooperative, open, and willing to participate in this study.

### **MAJOR FINDINGS**

The DSD is actually a collection of seven (7) separate departments that have been merging together over the past ten years. Considerable challenges have been presented by this enormous integration task and major cultural management programs have been initiated. There has been impressive progress made but ample work remains to be done. The department management and staff seem eager to succeed and fulfill the overall department goals.

ZBMR does not share the novel concept of, “blowing up the Development Services Department and starting over from scratch”. We have discovered valuable assets within

the department and impressive work products recently completed and underway. Also, there are many impediments that effect department performance. We feel strongly that the department needs to define a plan and focus on executing that plan.

## RECOMMENDATIONS

The ZBMR Team focused on two categories of recommendations - ***improve customer service*** and to a much lesser extent ***streamline operations***. Following is the list of specific recommendations:

### Improve Customer Service

1. *Establish official customer service function*
2. *Establish single, comprehensive customer service training program*
3. *Increase customer service training to 5-10%*
4. *Complete “culture change” within 24 months*
5. *Complete new Customer Satisfaction Survey*
6. *Implement aggressive Customer Care Marketing Plan*
7. *Improve DSD physical appearance*
8. *Implement plan to add ombudsman/greeter in reception area*
9. *Assign all clients a “primary contact person”*

### Streamline Operations

1. *Implement Resubmittal Tracking Reason Code*
2. *Apply case study analysis to resolve regulation conflicts*
3. *Review Community Planning Group involvement with projects*
4. *Partner with City Manager Optimization Group*
5. *Reduce influence of outside organizations*

Implementation of those recommendations will enable DSD to become the recognized regional leader in land and building planning and development.

## FISCAL IMPACT

The benefits of implementing the six ZBMR recommendations to *improve customer service* and the five recommendations to *streamline operations* will work together to improve operational efficiency and eventually reduce cost. We estimate that once implemented those recommendations will have the following positive fiscal impact:

• <b><i>Improve Customer Service</i></b> – Estimated 1% savings*	\$339,000
• <b><i>Streamline Operations</i></b> – Estimated 3% savings*	<u>\$1,017,000</u>
• <b><i>Total Estimated Fiscal Impact</i></b> –	<b>\$1,356,000</b>

\* Savings based on FY05 Development Services Enterprise Fund personnel expense budget of approximately \$33.9 million.

## **II. INTRODUCTION**

The ZBMR Team is pleased to submit this report to the Select Committee and to the San Diego Development Services Department (DSD). We feel confident that the contents of this report can help increase the efficiency and effectiveness of DSD operations.

We want to sincerely thank each and every DSD employee that participated in this study. Every participating member of that department provided enthusiastic and candid information that has been invaluable to our ZBMR Team efforts. Both DSD senior management as well as rank and file personnel were extremely helpful and gracious throughout the study period. We sincerely appreciate everyone's time and efforts.

### **A. SCOPE**

The ZBMR Project Team organized the DSD study according to specific areas of interest specified by DSD senior management and the City Manager's Office. A separate ZBMR volunteer team addressed each subject area of the study. Each team consisted of from one to three volunteers. Some teams were responsible for analyzing multiple subject areas. The following studies were conducted:

- Customer Service Training
- Impact of City Regulations
- Staff Performance
- ZBMR Recommendation Implementation Status

APPENDIX "A" identifies the four (4) ZBMR Teams assembled for the project.

The ZBMR study has been conducted over the period of December 2003 through February 2004. Therefore, this ZBMR report represents a "snapshot" of the department status as of about January 2004.

### **B. BACKGROUND**

The Development Services Department handles construction and development review from current planning, to development review, to inspection. This includes the review of subdivision maps and public improvement and grading plans; compliance with land use regulations, community plans and environmental statutes; and review of construction plans and inspection of construction projects. This includes review for transportation, park and recreation, and water/sewer elements. The department is responsible for managing the land development process from concept to completion.

The following statement summarizes the scope of construction and development processing responsibilities and services provided by Development Services.



*The Development Services Department is responsible for Construction code plan review, construction field inspection, construction permits, development and environmental plan review, development and permit information, engineering and building records, engineering services, environmental documents, fire code plan check, grading permits, hazardous materials plan check and inspection, current planning, mobile home permits and inspection, sign permits, subdivision review, traffic control permits, and zoning.*

The DSD comprises approximately 538 professional and staff employees serving about 40,000 customers. The department interprets almost 30,000 pages of regulations, 42% of which are local regulations. DSD manages a FY04 budget of \$56.46 million.

The department has emerged from the combination of seven (7) separate but related departments that have been merged over the past ten years. Considerable effort has been expended at blending the cultures of the individual entities into a cohesive and effective single organization. As can be expected, that cultural integration has been a major challenge for the department. An unfortunate byproduct of that integration has been a fairly negative reputation for customer service. A main objective of this ZBMR study, then, is to evaluate the current status of customer service in the department and recommend improvements.

Considerable details of department structure, operation, and profile can be found on the DSD website pages at [www.sandiego.gov/development-services/](http://www.sandiego.gov/development-services/).

The first ZBMR report for the Development Services Department was completed in March 2000. APPENDIX "B" contains the status of the recommendations presented in that report. Most of the recommendations were implemented in whole or in part. In September 2003, a ZBMR Team conducted a Performance Monitoring Review (PMR) to assess the progress of a select few of the original ZBMR recommendations. That report also produced a series of recommendations. The list of PMR recommendations is presented in APPENDIX "C" along with a current status of each recommendation. DSD management has teamed up with the City Manager's Optimization Group to prioritize and manage the implementation of important PMR recommendations.

In May 2003 the DSD received approval from the City Council to implement a significant services fee adjustment program along with approval to increase staff to improve customer service. In conjunction with that event the City Council requested an additional complete ZBMR study be conducted along with separate studies from an outside consultant organization and a special audit committee. The purpose of this ZBMR study is to meet that City Council requirement.

## **C. METHODOLOGY**

The principle methodologies utilized by ZBMR teams to conduct this evaluation were personnel interviews and data analyses. Those interviews were conducted with a number of DSD managerial and staff personnel. The interviews were augmented by discussions with other city officials in a variety of governmental organizations. In some cases questionnaires were utilized to ensure all ZBMR teams addressed key issues. The questionnaire tool was also utilized to determine the existence of best practices in certain specialized areas.

The interview process was augmented by the review and analysis of a variety of documents ranging from DSD budgets, committee reports, policies and procedures, as well as departmental analyses.

ZBMR teams also conducted statistical analysis of official data provided by interviewees to develop summary information critical to fully understanding particular areas of investigation.

It's important to note that the first complete ZBMR study analyzed the efficiency and effectiveness of individual department functions and services (a vertical view) and made recommendations for improving those areas. This study instead focuses on some particular operating characteristics that transcend all department functions (a horizontal view) such as customer service, department culture, outside operational influences (i.e., regulations), etc., that can affect department efficiency. Again, all of those areas are directed at improving the department's ability to serve customers and achieve an associated positive departmental reputation.

### **III. MAJOR FINDINGS**

ZBMR volunteer teams conducted a number of interviews and research projects to thoroughly analyze four specific characteristics of DSD operation and status:

- Customer Service Training
- Impact of City Regulations
- Staff Performance
- ZBMR Recommendation Implementation Status

Major findings for each of those categories are presented below.

#### **A. CUSTOMER SERVICE TRAINING FINDINGS**

The ZBMR Team that investigated the level of DSD customer service training and related departmental operational impacts consisted of Ken Sulzer, a management consultant and ex-SANDAG Executive Director, and Robin Stutsman, President, Mira Mesa Town Council and member of the Select Committee.

Their analysis consisted of a collection of the following research methods:

- Review of written material supplied by the department
- Review of previous department studies
- A tour of department offices with spontaneous discussions with staff members
- Extensive interviews with Margo Miller, Consultant from City Human Resources assigned to DSD
- Interview with Gary Halbert, DSD Assistant Director
- Structured questionnaire interviews with five (5) DSD division managers

In general, DSD conducts technical and customer service training functions. The department is keenly aware of the need for better service and the marginal reputation the department has had in this area. The department provides good division-level *technical* training (which will not be discussed in this report), but that same level of division-level *customer service* training results in noticeable variations of effectiveness. That is, some divisions have more effective customer service training programs than others.

Although there are several scattered programs to address customer service and customer service training, there's clearly a need for major improvement and organization of that crucial department function. In fact, there is not a current Manager or Champion of Customer Service. The Assistant Director has overall customer service responsibility along with his myriad of other line responsibilities. Customer Service does not have the priority to succeed as an essential department product or service.

Although viewed as important, DSD does not possess a “single department-wide customer service culture” at this point because customer service training is relegated to the division level. However, the entire DSD management team and staff personnel interviewed were dedicated and eager to perform. It seems that the efforts they have conducted and the attitudes they convey have not yet transcended the department. In other words, despite some significant efforts, they still lack a single, cohesive department culture and the message of recent management efforts and accomplishments have not yet been delivered to the citizens of San Diego.

Some of the observations from the ZBMR Team study are presented below:

- There is clearly awareness throughout the organization that customer service is a big issue.
- 78+ new positions have been authorized to improve customer service within the context of an increasing workload.
- There are a number of ongoing procedures and studies focused on greater staff accountability and improved customer service, including staff committees, client committees, and independent consultants. They include, “matrix plan for action”, numerous performance measures (for quantification analysis for management), “balanced scorecard”, and client focus groups. While they reflect a desire to improve performance and/or the ability to analyze results, they appear to be overly complex and lengthy. Competing for focus also are the several “outside” studies of the department that in turn tend to enforce “organizational paranoia”, undermining staff morale.
- The physical character of the First Street entrance to DSD is a first impressions disaster. It is demeaning to all client and staff and the City as a whole.

The entrance from the Civic Center Parking Garage (Terrace level) to the main reception area (third floor) is adequate, however, first impression is somewhat “tired” and seating in the wait area is less than satisfactory (i.e., compared to the fifth floor reception area which is used for service on large project clients).

- The prevailing idea of an “ombudsman” or greeter/facilitator in the main reception area (third floor) is good and will be especially useful for first time visitors.
- There are 22 positions in the department to do “counter work” (public information level), at an experience level above clerical. This is recognition that experienced and people-skilled personnel are important to satisfactory customer service and a “good investment” that limits problems later in the process. Several division managers emphasized this point during interviews.
- The concept of a contact person for each client is a good one, however, the title/term “Project Manager” can be confusing to both clients and staff.

- The Quarterly Management Staff meetings were found to be generally positive. Special importance was given to “networking” among managers, positive team building, and a good time to think. However, managers expressed interest in better focus on job-related operations. Also, “game playing” to build camaraderie was not always effective, and that a new technique should be considered to enhance teamwork. A more open agenda for managers’ input seemed desirable as well.
- There was a solid commitment to training by senior management. Training was found to be of two types – technical and customer service related. Training is generally controlled and managed at the division level.
- There is a commitment to build an integrated department culture through a consulting arrangement with the Human Resources Department. That effort is positive, but it is progressing too slowly. After about five years of effort, it’s scheduled to be completed in another five years or so. That effort is key to building an effective management team that enjoys a high level of trust and respect for each other. The program needs to be accelerated. Research into comparable efforts for this size organization, including government bureaucracies suggests that a cultural integration for a department of 500 or so employees should take about 2-3 years total.

## **B. IMPACT OF CITY REGULATIONS FINDINGS**

Two seasoned and experienced ZBMR volunteers, Wilmer Cooks and Jim Schmidt conducted this study. Mr. Cooks is President of Hallmark Asset Management and Jim Schmidt is a retired banking executive. Both of these volunteers are dedicated San Diego City activists and both have extensive experience contributing to prior ZBMR studies.

This ZBMR Team focused on determining the impact of regulations, ordinances and community plan requirements on the ability of DSD to effectively and efficiently process entitlements for real property improvements in the City of San Diego. They defined two complementary methods for researching this particular issue; 1) conduct personal interviews with relevant participants and stakeholders in the land and building development process, and 2) analyze specific case studies of projects that seem to be impeded by the impact of regulations and related issues. Findings for each of those study components are presented below.

### **1. Personal Interview Findings**

Mr. Schmidt conducted a number of personal interviews with individual DSD staff members, land and building development project applicants, civic leaders, community planning committees, and other public and private agency

representatives. Those interviews produced the following general findings:

- The Development Services staff, including the Planning Department generally has many impediments that interfere with their ability to provide good and quick service to applicants for permits.
- It is obvious that DSD staff members have a strong desire to provide good service to applicants. Staff frustration due to the many impediments they have to deal with is very obvious.
- In talking with outsiders, including some applicants, there is a strong and continued criticism of the Development Services Department. The complaints seem to mostly relate to very slow service for applicants and very high processing fees. The external image of DSD is poor!
- Some experiences with the DSD permit process are legendary, occasionally likened to “horror stories” or “worse than a horror story”.
- The many Community Planning Committees can be a major impediment to fast service. For example, although Information Bulletin #620 specifies Community Planning Committees as advisory groups, the Planning Groups can be much more than just advisors to DSD. That Bulletin indicates that applicants are “referred to” and encouraged to make presentations to the Community Planning Committee in the area where the particular property is located. It appears that Community Planning Committees can take advantage of the relationship with DSD and can end up representing a serious detriment to efficient application processing.

Although Bulletin #620 generally specifies time limit requirements for Planning Committee decisions, those time limits can be vague and/or difficult to enforce. This can cause further project delays.

Also, a Community Planning Committee member is typically designated as part of the project team for the DSD. This means the Community Planning Committee is in effect a “partner” with the DSD. Even though Community Planning Committee members receive training on their role in the process, these procedures can cause serious deterrents to project efficiency. In contrast to this “partner” relationship, County Planning Groups are truly “advisors” to County staff. This creates a subtle but important distinction between the two types of planning organizations.

## **2. Case Study Findings**

Mr. Cooks solicited a set of eleven (11) projects from DSD that may have contained some regulation complexities that hampered processing. That list of projects is presented in Table 1.

<b><i>Project Name</i></b>	<b><i>Issue</i></b>
Regional Trans. Ctr.	Project in Mid-City community regulated by Mid-City Planned District regulations. Tentative Map, Sit Development Permit and Conditional Use Permit; under a Disposition and Development Agreement with the Redevelopment Agency. Size had multiple zones.
Father Joe's Auto	Project site had non-native grasslands requiring a Sit Development Permit.
California Terraces	Minimum density versus Community Plan needs for density to fund community infrastructure.
Rachal I Project	Limits on developable area due to steep hillsides/brush management.
Rachal II Project	Limits on developable area due to steep hillsides/brush management.
Fairway Views	New code versus old code issues regarding steep hillsides; community plan update ongoing during processing.
Hawley Residence	Scenic view issues.
YMCA La Jolla	Community controversy despite being consistent with community plan; project appealed to Council on environmental determination based on new State law.
Riney Residence	Substantial Conformance request to add railing on roof deck. Municipal Code requires a Process Two review with appeal rights on decision to the Planning Commission. Planning Commission took two hearings to act on the project.
Winnet Homes	Issues involved minimum density, open space requirements.
Hip Pocket	Issues involved the application of new zone standards and brush management requirements.

**TABLE 1: Regulatory Project List**

From the Table 1 list, Mr. Cooks selected three representative projects to analyze in detail. Those case studies are presented below. DSD-side analysis of the third case study has not yet been completed. That information may be added to the ZBMR report as information becomes available. The findings presented in this section are drawn from the case studies.

The selected case studies were analyzed to determine if compliance with Federal, state or local regulations impact the ability of DSD to process entitlement applications for mainly the following reasons: a) application delayed due to conflicts in interpretation of regulations, b) application denied altogether due to staff compliance with regulations, and/or c) compliance required by applicant would be economically infeasible.

- **Case Study #1 – Planned Development Permit application for a single-family subdivision:**

- The applicant contends that he should be able to subdivide the subject site and create pads for houses with minimum grading to provide level pads. The applicant's rationale is as follows:
  - Re-grading the site to meet requirements by the City of San Diego would be too costly;
  - The applicant would realize a net loss of 20% in the number of houses proposed for the site;
  - The applicant contends that the site had been previously graded by the City of San Diego, and the City had graded the site properly. Therefore, the applicant should not be required to re-grade the site.

DSD contends that code application (§142.0133 Slope Gradient) requires re-grading.

- The applicant contends that the setback for garages as designed in the site plans does comply with current city code because they do not front onto a public street.

DSD contends the customer applied for a Site Development Permit (SDP), a Planned Development Permit (PDP) and a Tentative Map. The PDP section of the Code begins with 126.0601. The PDP allows the applicant to deviate from strict application of the Code while producing a better product than that which would have been produced from strict adherence to the Code. In other words, in exchange for allowing the deviations, the City is looking for an improved project and encourages creativity and innovation to achieve it.

- The applicant contends that no natural wetlands habitat exists on the site. Therefore, no code compliance issue exists. Poor drainage due to prior grading effort by the City of San Diego has created an artificial water collection area that has been identified by DSD staff as a potential natural wetlands habitat.

DSD contends that a water collection area at the west end of the subject site is a potential natural wetlands habitat.

- **Case Study #2 – Application for a recreational facility on a landfill owned by the City of San Diego:**

- The applicant contends that the project as designed will not disturb the integrity of the landfill that lies beneath the proposed site and will protect the landfill better than the current system.

DSD contends that the project went through a "Preliminary Review" process that



required the plans demonstrate all requirements of the Environmental Protection Agency (EPA) be met. EPA requirements are monitored and administered by the staff of the Local Enforcement Agency (LEA). DSD also contends that the project must, due to its nature (a recreational facility), meet the requirements of the Regional Water Control Board (Order 97-11).

- The applicant contends that grading and landscaping the slope located at the southern end of the landfill (Slope Restoration Project) should not be a requirement in order for proposed development to be approved for construction. It is the responsibility of the City of San Diego.

DSD contends that, in order for the recreational facility to be constructed on the site, the applicant must submit a Post Closure Maintenance Plan as required in accordance with Title 27, California Code of Regulations (27CCR), Section 21190©-Post Closure Land Use.

- The applicant contends that constructing an appropriate habitat in other areas of the landfill can mitigate environmental issues related to endangered species.

DSD contends that mitigation of issues relating to any endangered species identified on the proposed site is to be determined by the Department of Fish and Wild Life.

- The applicant contends that jurisdictional overlays between agencies and departments within the City of San Diego are a problem. In fact, resolution of jurisdictional issues between various agencies and city departments tend to rival the regulatory matters that require compliance.

Staff in the Environmental Services Department is currently conducting preliminary review of the Paragon Application after being transferred from the Real Estate Assets Department.

- The applicant contends that the development proposal has broad-based community support.

DSD staff contends it is required to comply with all regulations restricting use of the proposed site.

- **Case Study #3 – An Auto Auction site:**

- The applicant contends that an environmental review by city staff identified a non-native grass habitat on the proposed site, and the applicant should not be required to mitigate non-native grass growing on the site. He should only be required to mitigate native habitat indigenous to California.

The applicant agreed to pay the City to mitigate the non-native grass habitat and

deposited in excess of \$160,000 in a fund maintained by the City. The applicant accepts that payment as the “cost of doing business” with the City, but disagrees with the finding. This resulted in a 3-4 month delay in processing the application.

DSD staff contends that this mitigation is required by the Environmentally Sensitive Lands Regulations contained in the City’s Municipal Code.

- The applicant contends that although the proposed site has been fully graded and has completed sewer hook-up with sufficient capacity, City staff required the applicant to “agree to pay an unspecified amount of money for a new sewer trunk line that the project was not connected to”. The applicant vigorously opposed this requirement and eventually prevailed as City staff recanted.

The applicant contends that no city ordinance or regulation existed to support the requirement proposed by the staff. The fee could have amounted to approximately \$1 million and would have imperiled the project’s feasibility. This also resulted in a 2-3 week delay in processing the application.

DSD staff agrees that the original staff requirement was made in error and that no nexus existed for the original requirement based on the proposed development.

- **Case Study Findings:** Following are general findings obtained through the case study analysis. Some of the findings tend to overlap with those obtained by Mr. Schmidt during the personal interview phase of this study. Those overlaps are duplicated for emphasis.
  - There is a substantial overlay of discretionary and regulatory requirements imposed on most of the developable land in the City of San Diego. In fact, virtually the entire city is controlled by one or more discretionary regulations.
  - Regulations tend to cause delays in processing entitlements due to, a) sometimes conflicting ordinances and jurisdictions of public agencies, b) disputes regarding interpretation and application of regulations, c) mitigation efforts by staff and various boards and commissions, and d) regulations constantly changing and coordinating the implementation of the changes.
  - Community Planning Committees’ public input often extends beyond the technical jurisdictions of the committees for some development applications; sometimes with political overtones.
  - The application of regulations and timeliness of response to development applications tend to be impacted by the motivation, knowledge and experience of individual DSD staff members.

- Some applicants have expressed concern that the new fee policy and fee schedule (\$110 per hour) creates an incentive for some department staff members to charge excessively for services to applicants.
- There appears to be no internal motivation or incentive for fast service. Some applicants can easily misconstrue this as an uncontrolled, “run the meter” procedure.
- Regulations are sometimes imposed without taking into account the intent of the parties creating the regulations and/or the purpose of the regulation. The actual application of the regulations can reach far beyond the intent and purpose of the regulation itself.
- Applicants are often required to assume the City’s role in complying with regulations. That is, applicants are often required to pay for improvements that are outside of their particular project.
- Sometimes there can be an unfair correlation between the political attention given a particular application and the speed in which the review process is completed, even though the fees are the same.
- In cases where an application fails to produce an expected result, the timeliness of response by DSD is often exaggerated due to the effect of the unintended outcome. In other words, DSD response times tend to be lumped together creating the unfair appearance of degraded department performance.
- DSD Project Managers are sometimes inexperienced, not knowledgeable, and in some cases do not possess adequate technical background. This can cause delay and confusion in the process of application assessment.
- Relative to Landscape Review:
  - It can take 3-4 months before the first comments are received after the application submittal containing landscape plans.
  - The applicant cannot call or meet with Landscape Review staff regarding issues or comments on plans reviewed by staff.
  - Written responses by staff are delayed 3-5 months and the same information is still requested again.
- The Environmental Section staff has reduced in size due to attrition, promotions, and leaves of absence. This has resulted in considerable delays in drafting environmental reports (EIR negative declarations, etc.).
- Before, it took 15-20 minutes to log plans into the system. The new system takes longer although it captures much more information. The following issues contribute to the delays:

- Staff does not always understand how to input plans into the new system, often requiring assistance from the supervisor.
- Some screens have not yet been modified to allow faster data entry.
- Plans are still sometimes lost.

Performance, procedures, and training improvements to the new system seem to be important department priorities.

## **C. STAFF PERFORMANCE FINDINGS**

Andy Berg and Tom Crane comprised the volunteer team that conducted this segment of the ZBMR study. Mr. Berg is Director of Local Government Relations and Economic Development for the National Electrical Contractors Association and Mr. Crane is a retired Naval Officer active in marketing and business development consulting. The team focused on the following two specific aspects of staff performance.

### **1. Customer Service Survey Content and Flow**

A popular and typically valuable instrument for measuring customer satisfaction is soliciting customers to complete a survey upon completion of a particular service experience. Properly designed, implemented and administered, that technique can be a highly effective metric for measuring customer service. The DSD has long recognized the need for a comprehensive customer survey and feedback mechanism. The current survey is woefully inadequate, providing only marginal value until a new survey is in place.

To correct this situation, the department issued a Request for Proposal (RFP) and received proposals on November 6, 2003. A consultant was selected in December 2003 and a contract is currently being written based on the Scope of Work defined in the RFP. The selected consultant organization is True North Research. The department has been advised that funding for this contract is available (funds were not made available last year for a similar effort) and the contract is targeted for award in March 2004.

The RFP requires the selected consultant to perform the following tasks:

- (a) **Identify key drivers of customer satisfaction:** Conduct at least three qualitative focus groups of 8 to 10 customers annually. Conduct at least 6 interviews annually with customers from the development community. After the initial identification of key drivers of customer satisfaction, the focus groups and executive interviews will be conducted annually to periodically assess the current validity of customer satisfaction.

- (b) **Develop, pre-test and finalize questionnaires:** Work with City staff to develop new telephone surveys. After consultation and input, final draft questionnaires will be developed for surveys, which will also serve as pre-test questionnaires. An alternative to telephone surveys such as web-based surveying is acceptable if it can be validated that the alternative to telephone surveying will result in statistically valid non-self-selecting survey results. A survey program utilizing written questionnaires survey instrument is not acceptable.
- (c) **Update, Pre-test and Finalize Questionnaires:** The consultant will work together with City staff to make modifications to the existing survey administered by telephone. After consultation and input, final draft questionnaires will be developed for the surveys, which will also serve as the pre-test questionnaire.
- (d) **Develop Sampling Plan:** The consultant will develop a sampling plan. A mechanism will be in place by the consultant to evaluate the sample population (at any time during data collection) to ensure that the participant base is representative of the larger Development Services customer population under investigation. The number of interviews conducted with participants should reflect sample sizes with enough power to detect significance at a 95% confidence level.
- (e) **Training:** The consultant will conduct an interviewer training session so that each survey interviewer is familiar with Department's surveys. Information in any developed proposal should include the length of training, methodology and content of session.
- (f) **Conduct Survey/Data Collection:** Directly conduct telephone surveys or subcontract services for the completion of telephone questionnaires. A plan will be developed and successfully implemented to ensure that the information collected from the customers is accurate. Survey questioning will be conducted on a weekly basis. Development Services will provide the customer contact information to the consultant.
- (g) A toll free number should be made available to allow the customers being surveyed the option to call in at the customers' convenience to complete the survey. This is most useful in cases where a customer is not at home and a message can be left on the customer's telephone answering machine.
- (h) **Analyze Data:** Include in the proposal a description of the methodology used for analyzing the data and information on the type of software used. It is expected that the consultant will compare most recent survey results with previously collected results.
- (i) **Provide Results:** Consultant will provide complete written results of key drivers of customer satisfaction within 30 days of completion of the last focus group or

executive developer interview initiating the survey. A report of customer satisfaction questionnaire responses will be required on at least a monthly basis. The results of the monthly reports will be required within 14 calendar days of the last day of the month. If sampling sizes are not adequate to provide statistically valid results for any of the surveys on a monthly basis, then monthly reports will still be required and a separate quarterly report with statistically valid results will be reported.

Careful administration of this contract along with clear and professional implementation of the above requirements is essential to produce an effective tool for accurately measuring customer service. Also, it's important to establish a "benchmark" of customer service metrics once the new customer survey is implemented. That process will allow DSD to begin measuring variations to documented customer service levels.

The ZBMR Team carefully reviewed the RFP and commends DSD staff for its completeness. The team suggests the following adjustments to the contract language for this engagement.

- Task **(a)** should include, in addition to focus groups of 8 to 10 customers, at least six interviews with customers from the development community for the initial identification of the key drivers of customer satisfaction.
- The intent of Task **(c)** is unclear and should be rewritten for clarity.
- Task **(f)** should be rewritten to require the City or its consultant to call customers until the survey is concluded.
- Task **(g)**, Analyze Data, should be started with the new survey results and not consider any of the current survey results.
- Since the DSD services that a customer could receive are varied, the new survey should identify the type of service being reported, i.e., development and permit information, inspection, plan review, project management, project submittal, or records.

## **2. Sample a Group of Projects for Flow and Timeframes**

The objective of this study segment was to analyze a cross section of actual DSD projects focusing on the submittal review process to advise on potential changes that would improve efficiency and result in faster project approvals.

The ZBMR Team reviewed ten (10) discretionary projects that were approved in 2003. Those projects included residential, commercial, school and mixed-use applications. Table 2 presents the ten projects that were analyzed in this study.

<b>Project Name</b>	<b>Project Type</b>	<b>No. of Submittals</b>	<b>DSD Time (Days)</b>	<b>Applicant Time (Days)</b>
Hanning Residence	Residential	2	69	24
Vintners Shell Project	Commercial	4	159	135
Del Cerro Chevron	Commercial	4	196	203
Park Royal	5-Unit Condo	2	190	47
Aseltine School	School	4	173	174
Metro Career Center	Mixed Use	3	102	77
Faith Presbyterian	Church	3	183 Days Total*	
Clark Companion	Residential	3	101	50
Trails Map Waiver	Condo Conversion	4	45	171
Rio Vista West	Condo Conversion	2	58	588

**TABLE 2: ZBMR Team Project Review Data**

\* Unable to ascertain the breakdown of DSD and Applicant Time.

The following points are relevant to the review of the 10 projects listed in Table 2:

1. The ten projects surveyed averaged 3 submittals and were completed on average in approximately 274 days, 118 days within the DSD and 156 days within the control of the applicant.
2. For each project, it was necessary to get the approval of several reviewers within the department. It is also important to note that these reviews are currently being done concurrently resulting in timesaving to the applicant.
3. The sampling data was adequate to determine the number of applicant submittals necessary before project approval. The range was from 2-4 submittals per project, averaging 3 submittals each.
4. In general, DSD responded to each submittal within 30 days. In one instance 45 days was necessary.
5. The sampling data was not adequate to determine why applicant submittals needed to be redone. In interviews with staff, it was ascertained that on occasion the applicant submits and staff agrees to review partial submittals. However, this agreement is not noted in the data.

There is not a standard coded nomenclature used for determining the need for another submittal. That basically prevents any analysis to determine causality of the resubmittal process.

6. On average, the time needed to reach approval stage was due to somewhat longer applicant's response (156 days) than to time needed by DSD (118 days).

## **D. ZBMR RECOMMENDATION IMPLEMENTATION STATUS FINDINGS**

George Driver, an experienced management consultant and senior corporate planning executive reviewed the status of past ZBMR recommendations and also reviewed the customer billing system being implemented by DSD.

To develop background for this assignment, Mr. Driver conducted several interviews with senior DSD management and reviewed a number of related documents. Those included past ZBMR reports, City Manager reports, committee meeting reports, and department brochures and other marketing materials. That analysis concluded that the DSD is focusing on implementing the recommendations contained in the ZBMR Performance Monitoring Review (PMR) of September 2003 as opposed to the original ZBMR report published in March 2000. In fact, DSD is partnering with the City Manager Optimization Group to systematically address high priority PMR recommendations.

### **1. ZBMR PMR Recommendation Status**

APPENDIX "C" contains the current DSD departmental status of the PMR recommendations from the September 2003 ZBMR study. Specific comments referenced to those recommendations are presented below.

#### ***Customer Service Recommendations***

- **PMR 1-2:** The contract to develop a customer written survey and for the web page has only recently been awarded. No actual survey work has been completed. The RFP reflects that they have adequately fulfilled the recommendation in preparation.
- **PMR 3:** DSD plans to conduct focus groups of different stakeholders in order to identify the "key drivers" of customer satisfaction. They are extremely responsive to input from the Technical Advisory Committee (TAC) with these efforts. They have gone beyond the recommendation in attempts to identify priorities of tasks.
- **PMR 4:** The emphasis seems to be on telephone survey work as opposed to written or web-based surveys, which seems to depart slightly from the recommendation made.

They have not added any surveys to their website, but they plan to add when the initial surveys have been completed.



***Management Information Recommendations***

- **PMR 5:** They are in the process of developing comprehensive management reports. There is ample evidence they recognize some of the measurements they need. They have created five (5) categories: Mission, Customer, Internal, Learning Growth, and Financial. They have defined their focus for each category and they have set standards to measure for each category. They have not set-up the tracking of conflicts between plan check and field inspectors.

They have broken down division components, i.e., training plans, staff incentives, public outreach, etc. They have identified 22 of those components for each. The divisions have assigned a goal for the first year period. They plan to review goals quarterly, but have not yet put the program into action. They are still developing it.

They have listed out each of the “disciplines”, where a discipline is each area they review, i.e., sprinklers, structural, geology, etc. They then have tracked the time involved in processing for each discipline. This includes how long before assigned, how long the review actually took, etc.

- **PMR 6:** They have many components of the management information. Most of what they are producing is good and timely. They seem a little overwhelmed by the extensiveness of the needs of management information. To their credit, they are working closely with the Optimization Group to define and implement requirements.
- **PMR 7:** No progress has been made on this yet. They are waiting for the “Balance Scorecard System” to be implemented.
- **PMR 8:** The lack of cost accounting prevents them from actually measuring the cost of operation or cost savings of recommendations. Some information exists whereby they can conclude some cost savings when certain functions are changed, but they have come a long way.

It should be noted that this area of the recommendation continues to have the greatest distance to go before they are within 95% of completion of the recommendation. However, it is by far the most complex, time consuming and difficult of all the recommendations to complete. They are making excellent progress and if they come within 95% completion within one year of the PMR recommendation they should be commended. The City Manager Optimization Group has identified priority areas that they are jointly beginning to work on. They are, Cover Sheet Templates (PMR #13), Self Certification Program (PMR #10 & #21), and new Billing Statements (not a specific PMR recommendation, but a priority DSD issue).

***Product Development Recommendations***

- **PMR 9:** They have significantly reduced the number of resubmits. They have begun a quick review of plans by a supervisor in order to identify the needs of the plan so the customer can be better prepared.

They are also creating template cover documents to be attached to the plans. The template will identify where the plans need to be for review and a table of contents so the plan checks can quickly identify the appropriate sheets they need to review. The template is an excellent idea, generated within the department, to save time and cut down on confusion and resubmits.

- **PMR 10:** The Self-Certification Program is in limited operation with plans to expand. There seems to be some resistance by outside influence to expand this program significantly, with fear of job losses seeming to be the reason.
- **PMR 11:** The DSD Director is making progress on uniting the division and developing better communications.
- **PMR 12:** The division seems to rely very heavily on the Technical Advisory Committee (TAC) for direction, suggestions, etc. It became very clear that this committee is having a significant influence on DSD operation.
- **PMR 13:** Many templates have been completed with some use. This is a high priority for the division and it is getting good attention, but is not widely used.
- **PMR 14:** DSD has recently implemented a “Guaranteed Supervisor Assistance” program that includes audits of plan reviews, active involvement by supervisors in the review of large or complex projects, and supervisor intervention on projects requiring more than two reviews.

***Marketing Recommendations***

- **PMR 15:** Some additional brochures and web page development has been completed, but nothing significant. They are waiting for additional personnel with marketing expertise. They have created two marketing positions and are in the process of filling them.
- **PMR 16:** The publication of standards and performance measure metrics will not be able to be done until other ZBMR recommendations are completed with respect to developing standards. However, they have developed estimated time schedules for plan approval. They are actively responding to recommendations from the Technical Advisory Committee in addition to ZBMR. They are genuinely trying to implement recommendations from all fronts.

As mentioned before, they have established charts on turn around time. They

seem to believe publishing and outreaching this information is low priority. No web publishing is planned.

- **PMR 17:** The Technical Advisory Committee (TAC) is strong and DSD seems to listen carefully to their suggestions. They are also making a valid attempt at implementing PMR recommendations.
- **PMR 18:** They are beginning to track resubmission rates as part of their performance measurement. That tracking has already resulted in changes of improving the original submission.
- **PMR 19-20:** Both of these issues were raised in the original ZBMR report published in March 2000. The Department Director is credited with improving communications. However, relocation to one building for inspection and review has been delayed by FY04 budget constraints. The department's fee proposal adopted by Council in 2003 included a fee component for funding the purchase of a building in the Kearny Mesa area to provide for the co-location. In their approval, the Council directed that the department not pursue purchase of a new building, but rather identify an existing City-owned structure for co-location. DSD is currently looking into opportunities for additional office space, including space in the City's Community Concourse area.

In general, DSD senior management working with the City Manager Optimization Group offers the best opportunity to quantify, prioritize, and create executable projects for ZBMR and other agency recommendations.

## **2. New Customer Billing System**

As an adjunct to reviewing the status of ZBMR recommendations, Mr. Driver was requested to also review and evaluate the new customer billing system being implemented by DSD. He determined the only difference in the two systems is the invoice document produced. Since the new system is not yet installed, the only design element available for review was the sample invoice document itself. Therefore, the comments below relate to a comparison of the old format versus the new format.

The essential difference between the old system invoice document and the new format is the level of detail presented. The old system displays a general description of cost, i.e., "Project Management". The new format adds sub-categories, i.e., under Project Management, "Development Permit" and "Map Plan Check" or "Mitigation Monitoring Coordination" may appear. In addition, each time a person works on an item, the person's name and hours worked appears. The statement is well organized with critical information easy to find. The use of boxes to segregate information makes the new invoice very user friendly.

This project seems to be an example of the heavy influence of the Technical Advisory

Committee (TAC). ZBMR never made any direct recommendations regarding the billing system and clearly the changes are far more helpful to the customer than to the efficiency of DSD.

## IV. **RECOMMENDATIONS**

The ZBMR Team disagrees with the provocative notion of “blowing up the Development Services Department and starting over from scratch”. We believe that DSD has strived to improve performance over the years and is making impressive progress. Combining the culture of eight (8) separate organizations into a single, cohesive and well-respected department is difficult and time consuming. DSD has a dedicated and highly professional management staff committed to success. We feel the department needs to continue to focus on specific initiatives, many of which are already underway.

The Development Services Department is facing a plethora of challenges and seems to be fielding a seemingly endless collage of outside investigations, studies, evaluations, etc. The ZBMR Team therefore has been concentrating on basic areas that can enhance the reputation and image of the department. Accordingly, we can categorize our recommendations into those that ***improve customer service*** and to a much lesser extent those that ***streamline operations***. This second category is limited to just those operational improvements that can most directly help augment the public’s perception of the department. The ZBMR Team feels the following recommendations in the two categories are essential for promoting the DSD to operate at the level of respect and confidence it deserves and for establishing the reputation and efficiency that the department is clearly capable of and interested in attaining.

### **A. IMPROVE CUSTOMER SERVICE**

The DSD has made great strides in improving customer service in the department. Those efforts must be accelerated and all the positive results proudly and quickly broadcast to the public. The ZBMR Team recommends the following specific initiatives to continue improving customer service.

#### **1. Establish an official customer service function by creating a Customer Service Manager position**

In order to provide excellent customer service, the DSD needs to establish an official Customer Service function by creating a “Customer Care Division” with a manager that is *accountable* for all aspects of customer service. The Customer Service Manager would be responsible for soliciting division needs for customer support and developing a program that thoroughly meets those needs. Included in a formal program should be ample reward systems for recognizing good customer service and stressing the value of satisfied customers.

Today, the closest person to that responsibility is the Assistant Director. That position has too many other diverse duties and responsibilities to effectively focus on a major customer service function. Unfortunately, currently the customer service

function ends up being managed by committee or legislated through an array of suggestions and/or short-term projects. DSD Customer Service needs a “Champion” to be successful and effective.

**2. Establish a single, comprehensive customer service training program to replace the current separate division-level programs**

Although tightly coupled with the recommendation above, establishing a formal customer service training program is important enough to discuss separately. Today, the task of training staff personnel to professionally serve customers is left to each division. This promotes a terrible imbalance of proficiency based on the skills and motivation of each manager.

The newly designated Customer Service Manager should define and be held responsible for the program.

**3. Increase customer service training to somewhere between 5-10% for the foreseeable future (next 2 years)**

Today, it's estimated that customer service training occupies approximately 2-3% of employee work time. That needs to be increased to somewhere around 5-10% for the foreseeable future (next 2 years). Once the department is better trained, then the training percentage can be reduced to general industry standards of 3-5%.

**4. Complete the DSD customer service “culture change” within 24 months**

The current efforts to create a departmental culture need to be expedited. Some aspects of the current program have been commended, but it's taking entirely too long. Research conducted during this study suggests that a complete cultural integration for a department of this size and history should take no more than about 2-3 years total to implement. DSD needs to adopt a much more aggressive plan and timetable. We recommend complete implementation of the plan within 24 months.

The goal of course is to create a working environment based on total employee trust and respect. Without those qualities the department will certainly fail. Ingredients to consider as part of the new department culture include, a) full-disclosure and understanding of the department mission statement, vision, core value statement, strategic plan, annual goals and objectives, etc., b) a general employee attitude that DSD is the best provider of service to applicants of any of the 18 cities and the County of San Diego, and c) employee reward systems, contests, etc., for demonstrating knowledge of and commitment to those important operating parameters.

The DSD needs a new, top-down culture that everyone in the department can buy into, NOW! Only top management can create and cultivate that culture. The current senior management team seems eager to lead. They need the professional help and direction to make a long-term difference while enjoying some positive short-term benefits. Senior management should also make additional personal efforts to communicate the “cultural change” goals directly to all employees, especially the front-line (22) public information staff, on a regular periodic basis over the 24-month implementation period.

#### **5. Complete the new Customer Satisfaction Survey**

The recently contracted project to produce a new customer satisfaction survey will be pivotal to establishing benchmarks for department service levels. Once survey results begin to be gathered, specific metrics need to be established and measured against in order to make sure that customer satisfaction is a priority performance driver and that continual improvements are being factored into operating plans.

Minor changes to the consultant contract identified in the Findings section of this report should be introduced and the project to complete the new survey should be carefully managed to make sure nothing interferes with its completion. This project can be the basis for important future customer service planning.

#### **6. Implement an aggressive Customer Care Marketing Plan**

DSD has already made progress improving customer service, but hardly anyone knows anything about that. The old “horror stories” are still well remembered and many past negative experiences prevail.

Some impressive “baby steps” have been taken to enhance public relations, but those have been scattered and marginally effective. Now that three marketing personnel are on board in the department, a major customer-focused marketing plan needs to be developed focusing on promoting past accomplishments and highlighting new initiatives that will revolutionize the department’s image.

The website should be a component of that program as well as soliciting customer testimonials, conducting public forum events, and otherwise spreading the word of DSD commitment to customers. Specific customer recognition programs should be promoted through the Technical Advisory Committee (TAC), Small Business Advisory Board (SBAB), and other steering and user group organizations. In other words, the marketing plan should leverage existing channels to most quickly get the word out. The City Manager, City Council, Mayor and other important political personalities should also be kept well informed of department accomplishments.

**7. Improve DSD physical appearance by rehabilitating the First Street entrance and upgrading the 3<sup>rd</sup> floor reception area**

*“You only have one chance to make a first impression!”* This common statement alone can account for a large portion of the negative opinion of DSD. The ZBMR Team recommends that the department conduct a complete assessment of how the department appears to the public. That should be a physical as well as a personnel assessment. In other words, every physical asset that an applicant encounters during his DSD experience, plus every direct personal contact that’s made should be evaluated. ZBMR feels that considerable image promotion and outright better business could be achieved after simple and cost effective improvements are made.

- Redecorate the 1<sup>st</sup> floor entrance (off First Avenue). This primary entry is unacceptable. We understand there are some jurisdictional challenges associated with this, but something has to be done. Any applicant that enters through that entrance can immediately develop a serious negative feeling about their upcoming DSD experience.
- The 3<sup>rd</sup> floor entrance is used more than 1<sup>st</sup> floor and is in better condition. However, a lot of little improvements can be made there. For example, 3<sup>rd</sup> floor reception furnishings should be upgraded to equal those on the 5<sup>th</sup> floor, which represent a much more pleasant appearance. DSD should also consider providing more seating, better locations for display of information brochures, and free coffee, soft drinks, etc., for customer convenience while waiting to be served. Also, better/clearer signage should be added from the Civic garage to the 3<sup>rd</sup> floor entrance. These are inexpensive, but will have a high “service return”.

**8. Implement the current plan to add an ombudsman/greeter in the reception area**

The objective should be to avoid waiting lines as much as possible. Using available staff, the ombudsman should open additional counters as necessary.

**9. Assign all clients a “primary contact person”**

Maintain the “primary contact person” concept for each applicant but change the name of that position from “project manager” to something more useful. “Project manager” can have significantly different connotations to many people. Something more user friendly like, “Customer Contact Representative” or “Primary Contact Person” will be better understood by clients and staff.



## **B. STREAMLINE OPERATIONS**

Some operational functions directly effect customer satisfaction and the general perception of the department by the public. Although not extensive, the ZBMR Team studied several of those areas, especially those that involve direct customer contact and those that tend to influence staff attitude and performance. Major areas of potential optimization are presented below.

### **1. Implement Resubmittal Tracking Reason Code**

This is a detailed, but important ZBMR recommendation. While analyzing case studies for project flow and time frames, the ZBMR team discovered that there is no way to determine the cause for a project being resubmitted. That important parameter is not recorded anywhere in the process.

ZBMR recommends a simple coding system be used to overcome this weakness. For example:

- (1) - Incomplete applicant submittal
- (2) - Applicant change since prior submittal
- (3) - Necessary correction that staff could have noted on response to previous submittal
- (4) - Other (specify)

A simple coding system like the one above would allow post analysis of submittals to be evaluated for cause and potential solutions devised to resolve some resubmittals.

Further, ZBMR recommends that once such a system is in place that the same case study analysis be performed again to help determine causes for resubmittals. In the meantime, the team recommends that DSD continue to review submittals as is done today.

A related ZBMR recommendation that came from this analysis is that if applicants were given some sort of time estimate as to how long their project might take, they probably would experience much less overall frustration. An uninformed customer may think his application should take three weeks when, in fact, it might be already known that it will take several months. If the customer was prepared for a longer response, less frustration would occur and DSD would be less disliked.

### **2. Apply case study analysis to resolve regulation conflicts**

During this study, the ZBMR Team used case studies to analyze the effect of various regulations on the length of time it takes to get a plan completely reviewed and the associated effect on applicant costs. Those case studies have uncovered an

important ZBMR recommendation. The team recommends that on an ongoing basis qualified DSD resources analyze suspect project files for regulation influence and effect. That technique can reveal some serious impediments that hamper DSD operations. Analyzing case studies can reveal valuable solutions to help streamline operations and improve the general efficiency of plan processing. Some solutions identified during this ZBMR study include:

- Once an application is governed by more than one discretionary overlay, the applicant should be given a preliminary review that is designed to familiarize him with the jurisdictions of agencies and regulations that are involved as part of the application process.
- Specialized staff training is necessary to overcome the complexities of many regulations and discretionary requirements.
- DSD staff must be motivated to provide cost-effective, accurate, and timely service.
- The subject matter for information bulletins and other applicant documents should be simplified as much as possible to improve customer understanding and promote better customer satisfaction.
- An independent dedicated resource should be allocated to monitor the scope and context of regulation issues during the application process to insure consistency and timeliness of applicant response. That resource should also remove the ambiguity and political influence of interpreting regulations.
- Project Managers should be experienced and knowledgeable with some technical background (engineering related).
- APPENDIX “D” contains some ideas and examples of regulation relief suggested during the ZBMR study that would reduce disproportionate time and cost in the review process for small to medium projects and would positively affect many DSD customers.
- As suggested above, specific obstacles to the overall application process can be identified and then addressed for legislative or other resolution as appropriate. Those issues remain hidden in today’s DSD operation. The ZBMR Team feels that this approach could be highly beneficial to developing long-term modifications to regulations that can result in faster and more cost effective projects.

### **3. Review Community Planning Group involvement with projects**

There are approximately 44 Community Planning Committees (CPC) in the City of

San Diego. Those groups can and do severely influence project efficiency and seem to potentially cast a lethal shadow on the overall planning and development process. As detailed in the Findings section of this report, the planning groups can be a major impediment to fast service. Their scope of authority and influence in large projects seem to be extreme.

The ZBMR Team feels that some degree of service dissatisfaction can result from those groups' involvement and we recommend the basic operating principles for planning groups be reviewed with the direct objective to simplify and contain their effect on the timeliness and quality of development projects. Consideration should be given to establish deadlines for CPC project review and automatic approvals. Also, CPCs should be made "advisors" to the planning process rather than "partners" in the process.

#### **4. Partner with City Manager Optimization Group**

DSD management and staff are typically highly skilled planners, architects, land and building developers, and engineers. They are not necessarily gifted at organizing, documenting and managing complex technical or organizational internal department projects. Even for those DSD employees that have those special skills, their time is better spent helping develop San Diego property.

Since part of the future success of DSD is clearly to implement a variety of internal recommendations suggested by ZBMR, TAC, SBAB, public support groups, etc., they can use some outside project development methodology and management assistance. The City Manager Optimization Group is available to provide that assistance. In fact, they are already working with the Support Services Division of DSD to help implement some priority ZBMR, etc., recommendations.

So far, the two groups have identified three priority projects that the Optimization Group will help organize, manage, and track. Included in this process is careful quantification and auditing of cost savings of each project. The ZBMR Team strongly recommends continuing that partnership and expanding it after evaluating the current pilot efforts.

#### **5. Reduce influence of outside organizations**

DSD has been inundated by outside groups investigating various aspects of department operations. In addition to those, a number of public interest groups continually place demands on the department for resources, special projects, and extra resources in general. The ZBMR Team, quite frankly, can't understand how the department can ever get any work done in the current environment.

We suggest the City Manager let the DSD absorb the vast amount of intelligence

they have received over the last year or so and let them get back to work. We recommend the City Manager's Office Optimization Group assist the department to develop a plan for implementing some of the recommendations and that group be charged with tracking progress of the plan.

## V. FISCAL IMPACT

The two categories of recommendations in this report - *improve customer service and streamline operations* - will contribute directly to increasing service capacity and enhancing customer satisfaction over the long-term. Those benefits work together to improve operational efficiency and eventually reduce cost.

We don't expect DSD budgets to be reduced as the result of implementing these ZBMR recommendations. We do expect DSD to be able to perform more and better work for applicants without commensurately increasing staff or other related expenses. That will have a positive impact on future budgeting.

Based on the FY04 Development Services Enterprise Fund personnel expense budget of approximately \$33.9 million, we estimate the following potential net savings:

- ***Improve Customer Service*** – Estimated 1% savings \$339,000
- ***Streamline Operations*** – Estimated 3% savings \$1,017,000
- ***Total Estimated Fiscal Impact*** – **\$1,356,000**

The estimated fiscal impact does not consider any development or implementation costs since the exact methods of implementation need to be defined later. Also, those financial impacts represent long-term benefits. That is, little, if any positive impact would be expected during the first year of implementation.

We recommend that metrics be put in place that enable detailed calculations of the benefits along with appropriate measurements of actual savings. We suggest that the City Manager Optimization Group be heavily involved in that process.

## **APPENDIX A**

**San Diego Development Services Department (DSD)**

**ZBMR Project Organization**

# Development Services Department

## ZBMR Project Organization

December 11, 2003

### **ZBMR Project Teams**

**TEAM A: Customer Service Training**

- Increase service levels
- Develop staff personal skills
- Address cultural/attitudinal issues

**TEAM B: Impact of City Regulations**

- Impact on process
- Impact on customer service

**TEAM C: Staff Performance**

- Customer service survey content and flow
- Sample a group of projects for flow and time frames

**TEAM D: ZBMR Recommendation Implementation Status**

- Review status of ZBMR and PMR recommendations
- Prioritize outstanding recommendations
- Review proposed improved customer billing system

### **ZBMR Volunteer Roster**

<b><i>Name</i></b>	<b><i>Title</i></b>	<b><i>Team</i></b>
1. Andy Berg	Director, NECA Local Government Relations & Economic Development	C
2. Wilmer Cooks	President, Hallmark Asset Management	B
3. Tom Crane	Retired Military - Consultant	C
4. George Driver	LCD Management Consultant	D
5. Jim Schmidt	Retired President, Great American Bank	B
6. Robin Stutsman	President, Mira Mesa Town Council	A
7. Ken Sulzer	Consultant, Ex-SANDAG Executive Director	A

## **APPENDIX B**

### **STATUS UPDATE ON ZERO-BASED MANAGEMENT REVIEW (ZBMR) RECOMMENDATIONS**

Dated

**JUNE 14, 2002**



## Zero Based Management Review - Status Update

Development Services				March 2000	Comments / Impacts
Item	Select Committee Final Recommendations	Status	Estimated Savings	Actual Savings	
A.	Land Development Review				
1.a	Resubmittal rates need to be substantially reduced.	Completed. Now tracking resubmittal rates.	\$1,578,244	none at this time	The department has developed and conducted an on-going series of classes, which provide our customers with an overview describing how to efficiently get through the project submittal requirements and process. This should result in individual project savings and an improvement in project review times for Land Development Review Division (LDR) and Building Development Review Division (BDR) plan checks. A system has been developed which will allow Management to track the resubmittal process. Furthermore, a program has been implemented which will require senior staff involvement on any project that enters a third project review cycle. The LDR division will evaluate the feasibility of an over the counter recheck process once a review has reached a stage where remaining issues are straight forward. From December 2001 to February 2002, 70% of projects in RDJ required from 0 to 1 resubmittals, 19% required 2 resubmittals. The average resubmittal time for BDR is 1.1 days.
2.a.	Implement a comprehensive Customer Outreach Program.	Completed. Classes each month beginning FY2001	N/A	N/A	Completed. The department has created a customer information and outreach program to educate the customers about the planning and permitting process. The department developed and is conducting 12 outreach workshops each year. Two outreach workshops were held in 2001, Spring and Fall, additionally a third series of workshops is planned for this Spring 2002. Other workshops are offered throughout the year. Topics range from information on stormwater regulations, to new customer services such as quick check template program which allows certain projects to be reviewed over the counter without going through a submittal process, and field inspection services seminars for contractors. An average of one class per month over the past year have been held.
3.a.	Establish a self-certification program.	Implemented. Need additional experience with self-certification before assessment.	N/A	N/A	Completed. The department has implemented optional self certification programs in three areas: Master Plan Projects, minor civil engineering projects, and Landscape Plan Check. Self certifications of Title 24 energy conservation requirements for residential is being implemented. Staff will review other project types requiring building plan check for opportunities to allow self certification.

## Zero Based Management Review Status Update

Development Services (con't)					March 2000
Item	Select Committee Final Recommendations	Status	Estimated Savings	Actual Savings	Comments / Impacts
1.b.	Building Development Review Locate Plan Check and Inspection in the same building.	Deferred.	N/A	additional costs may be incurred	This issue has been deferred due to budget constraints.
2.b.	Reorganize Plan Check and Inspection under the same management.	In Progress. CBO to be hired Summer 2002.	N/A	N/A	A feasibility study of this issue will be a key priority to the new Chief Building Official (CBO).
3.b.	Upgrade Process 2000 implementation with customer input.	Completed. November 2000	N/A	N/A	Completed. A Customer Service Policy has been completed and implemented in November 2000. Management and staff will review and analyze customer feedback and provide staff guidance and coaching needed to improve the division's response rate.
4.b.	Focus more attention on project review at initial submittal.	Completed. August 2000	N/A	N/A	Completed. As part of the overall consolidation of project submittal, a number of improvements have been made to get better quality project submittals the first time a customer submits. New submittal standards have been created that standardize submittal requirements for all types of projects. Standardized project plan templates have been created for customers to use, which places required plan information into standard formats, thus reducing project processing and review times, and are available on our website. In addition, technical review staff in civil engineering, planning, and structural engineering have been added to the project submittal team to assist in the technical review of plans for a quality submittal. Project submittal guidelines are on-line. Additional customer feedback sessions will be scheduled.
5.b.	Lower overhead costs.	Completed. June 2000	N/A	N/A	Completed. Overhead includes many of the activities recommended in this report for enhancement, such as training, automation, public information, and customer outreach. A part of the recent fee proposal was a review comparing Department and private sector hourly rates. Results indicated that Department rates on comparable services are less than that of the private sector. In the future, the Department will perform further analysis of hourly rates and their translation to overhead rates for establishing a bench mark for comparison with the private sector. A Fee Consultant will be contracted analyze current fees and recommend adjustment where necessary. Department overhead will be calculated at individual division levels, which will result in more accurate overhead rates for each division. Different overhead rates should more closely tailor the actual cost to the services.

## Zero Based Management Review - Status Update

Development Services (con't)				March 2000
Item	Select Committee Final Recommendations	Status	Estimated Savings	Actual Savings
6.b.	Improve communication between Plan Check and Inspection.	Ongoing	N/A	N/A
7.b.	Expand and focus training.	Completed. Ongoing Workshops are scheduled throughout the year.	N/A	N/A
8.b.	Create more flexibility in pay schedules.	N/A	N/A	-\$1,800,000
9.b.	Incorporate qualitative measurements in employee evaluations.	Ongoing	N/A	N/A
10.b.	Focus on upgrading morale.	Completed. Implemented 9/80 work schedule & recognition and rewards program.	N/A	N/A
11.b.	Consider opening data processing up to competitive bidding.	N/A	N/A	N/A
12.b.	Improve Civil Service mechanisms awareness of supervisors and management.	Completed	N/A	N/A
				Comments / Impacts
				The Department is continuing to work on this issue on several fronts; collocation and reorganization under the Chief Building Official will enhance these efforts. Senior plan check and inspection staff meet twice a week to discuss issues for both Plan Check and Inspection Services. (see 2.b and 3.e.)
				Completed. Outreach programs have been developed for staff and design professionals to discuss code issues and formulate agreed upon interpretations which can then be published. A Senior Structural Engineer is assigned to the special task of developing a training plan for the staff as appropriate. Department-wide each division have established on-going customer training programs to assist customers with complying with code requirements. Workshops including a variety of topics (i.e. Special Inspection, Sign Regulations, and Self-Certification for Engineering Permits) were conducted in the Spring and Fall of 2001. Workshops will be continually scheduled throughout the year.
				Special salary adjustments were approved by City Council for engineers and related classifications with an annual impact of \$1,800,000 to the department budget.
				Increase the frequency of audits during the employee evaluation period emphasizing reduction of resubmittals and accuracy of the initial plan check. The department is reviewing the feasibility of department-wide revisions to employee performance measures.
				Special assignments, career development, alternative work week schedules, and some cross training with inspectors have been implemented in order to increase morale and to avoid burnout. A 9/80 work schedule has been implemented. Additionally, a Recognition and Rewards program has been implemented department-wide to acknowledge employees for their efforts.
				This issue will be evaluated City-wide as part of the City's information technology strategic planning process which is being facilitated the City's Chief Information Officer.
				Completed. The department has a contract for a Personnel Outstation Analyst for the department. This position assists in interpreting Personnel policies and regulations, in processing personnel related paperwork, and in the reviewing and developing of hiring and disciplinary processes.

## Zero Based Management Review - Status Update

Development Services (con't)		March 2000			
Item	Select Committee Final Recommendations	Status	Estimated Savings	Actual Savings	Comments / Impacts
13.b.	Insure employees are reviewed by correct manager.	Completed, June 2000	N/A	N/A	Completed. Employee performance evaluations were brought up to date in June 2000. In the future, if during the evaluation period the employee had more than one supervisor, then input will be requested from those supervisors with prior knowledge of the employee's performance.
14.b.	Upgrade customer complaint handling.	Completed. Staff is promoting use of all programs to customers.	N/A	N/A	The concepts of quick response, conflict resolution, and guaranteed second opinion are included in the project management model. Staff is expanding the guaranteed second opinion and conflict resolution models to all projects including those without active project management. The expansion of project management to submitted building projects (not just those projects that are subject to discretionary review) has been deferred until results of the fee study are completed. If this services proves feasible Once this is implemented this will improve the ability of the department to quickly respond to the customer issues.
15.b.	Resubmittal rates need to be substantially reduced.	Completed. Now tracking resubmittal rates.	\$623,000	N/A	The department has developed and conducted an on-going series of classes, which provide our customers with an overview describing how to efficiently get through the project submittal requirements and process. This should result in individual project savings and an improvement in project review times for land development review (LDR) and building development review (BDR) plan checks. A system has been developed which will allow Management to track the resubmittal process. Furthermore, a program has been implemented which will require senior staff involvement on any project that enters a third project review cycle. The LDR division will evaluate the feasibility of an over the counter recheck process once a review has reached a stage where remaining issues are straight forward. From July 2001 to November 2001, 75% of ministerial plan check in LDR required from 0 to 1 resubmittals. 12% required 2 resubmittals. Less than 13% required 3 or more resubmittals. The average time for both ministerial and discretionary resubmittals in LDR is 0.9 days (see 1.a.)

## Zero Based Management Review - Status Update

Development Services (con't)					March 2000
Item	Select Committee Final Recommendations	Status	Estimated Savings	Actual Savings	Comments / Impacts
C.	Project Management Create defined Process 2000 timelines with specific objectives defined and progress milestones follow-up.	Completed, August 2000	N/A	N/A	Completed. As projects are assigned, each review time is based upon a project description, rather than a single type of review. Management has further clarified the expectations of these review times with due dates which are included with every project. As an action item, the Department will republish and review these schedules with all Department employees.
1.c	Address the issue of common geographic responsibilities or other workable project specialization.	Completed, May 2001.	N/A	N/A	Completed. The Department has addressed this issue by coordinating staff by project geography or by project type such as: the City Coastal Overlay Zone; structural review staff who review high rise structures. Project Managers are now assigned by geographic area.
2.c	Review technical specialization needs within multidisciplinary project review teams.	Completed.	N/A	N/A	Completed. Within each geographic area projects will be assigned by project type and project manager expertise. In addition, senior management now attends all preliminary review meetings to insure that technical issues are addressed by the project review team and to evaluate customer satisfaction with this services.
3.c	Obtain field inspection input early in project process.	In Progress	N/A	N/A	Improvements to communication between plan check and inspection offer many opportunities to improve the quality and consistency of information to the customer. For certain projects, a pre-construction meeting is conducted prior to or immediately after permit issuance. This creates the opportunity for hand-off between plan check and inspection staff as well as the private architect/engineer and the construction team. A supervisor from Inspection Services is attending the Building Development Review Code Group.
4.c	Reduce resubmittals	Ongoing. Now tracking resubmittal rates.	\$386,460	N/A	A system has been developed which will allow Management to track the resubmittal process. Furthermore, a program has been implemented which will require senior staff involvement on any project that enters a third project review cycle. The department has developed and conducted an on-going series of classes, which provide our customers with an overview describing how to efficiently get through the project submittal requirements and process. This should result in individual project savings and an improvement in project review times for land development review (LDR) and building development review (BDR) plan checks. Data is being collected for project management division (PJM) on project review cycles for Quarter 3 (Jan 2002 to March 2002) and will be available by June 2002.

## Zero Based Management Review - Status Update

Development Services (con't)						March 2000
	Select Committee Final Recommendations	Status	Estimated Savings	Actual Savings	Comments / Impacts	
6. c.	Upgrade Program/Project Managers Overall Project knowledge.	Completed. Integrated w/PJM training program.	N/A	N/A	A training program has been implemented where all project managers will receive introductory training to ensure they understand the entire development process, discretionary and ministerial. Survey data obtained from the project manager's customers will be utilized in rewards and training tailored to optimize the project manager's level of performance and growth.	
1. d.	Customer Surveys Upgrade survey mechanism with the help of outside professionals.	Ongoing.	N/A	N/A	To compliment the efforts of the Phase I (see 2.d.) of increasing survey response rates, Phase II is completed. Phase II includes issuing a Request For Proposal (RFP) and hiring a consultant to implement the department survey. The consultant's results are expected by July 2002.	
2. d.	increase survey responses rates.	Completed March 2001	N/A	N/A	Completed. Phase I of increasing survey response rates is completed. In Phase I, the department worked with a consultant to review, improve, and implement the customer survey program. A program to increase the response rate and expand the survey program has been developed. Phase II (see 1.d.) is in completed.	
3. d.	Look at internal customer service of professional staff.	Completed. November 2000	N/A	N/A	Completed. Organizational Effectiveness Program (OEP) has implemented an internal customer service survey and has gathered data, done analysis, and reported the results. Results were provided to management for follow-up.	
E.	Inspection Services Improve mileage reimbursement compensation.	Completed. July 2000	N/A	-\$300,000	Completed. Council has approved a mileage increase for employees. All 68 inspectors will benefit from this increase. The annual impact is \$300,000.	
2. e.	Reduce noise level in inspectors' offices.	Completed. February 2000.	N/A	N/A	Completed. New, sound-absorbing ceiling tiles were installed in the clerical areas of the field offices in December 1999 and the inspectors' work area in February of this year.	
3. e.	Improve plan check/inspection communication to reduce problems in the field.	Completed. November 2000	N/A	N/A	Completed. The Department is continuing to work on this issue on several fronts, collocation and reorganization under the Chief Building Official will enhance these efforts. Senior plan check and inspection staff meet twice a week to discuss pertinent issues for both Plan Check and Inspection Services. (see 2.b & 6.b.)	
<b>Total</b>			<b>\$2,587,704</b>	<b>-\$2,100,000</b>		

## **APPENDIX C**

# **DEVELOPMENT SERVICES DEPARTMENT STATUS UPDATE ON ZERO-BASED MANAGEMENT REVIEW (ZBMR) PERFORMANCE MONITORING REVIEW (PMR) RECOMMENDATIONS**

Dated

**FEBRUARY 5, 2004**

Item	Category	Recommendation	Status
PMR1	Customer Service	Implement the Customer Satisfaction Survey Consultant Contract when funds are available. Try to implement the first year contract (\$49K) as soon as possible. This step needs to be taken in order to legitimately validate any service evaluation. This resource should report to someone outside of the Development Services Department (i.e., City Managers Office, etc.).	RFP completed and consultant selected. Estimate consultant will start work in March 2004.
PMR2	Customer Service	Stress that any customer survey instruments are directed at determining how well the department function performs and the specific quality of services it provides rather than just "feel good" surveys (i.e., what did you think of the services?).	Will work with customer service survey consultant and incorporate recommendation in survey program.
PMR3	Customer Service	The customer surveys need to be structured with input from private industry (building consultants, architects & engineers), Development Services line staff and management, City Council representatives and City Manager representatives.	Will work with customer service survey consultant and incorporate recommendation in survey program.
PMR4	Customer Service	Add a basic customer satisfaction survey online as part of the comprehensive website. This should be able to be implemented with minimal cost and effort. It may also attract more customer interest and usage.	Customer service survey consultant will develop an online survey incorporating this recommendation.
PMR5	Management Information	Develop comprehensive management reports that accurately reflect production metrics and employee performance information. Construct those reports to provide annual comparative statistics and summary information. Carefully define all measurement parameters (i.e., review cycle, timeframes, etc.). All performance measurements should be subject to outside, third party audits.	Comprehensive management reports are being developed using Project Tracking System (PTS) data. Balanced Scorecard measures have been developed and are being implemented. It is planned that reporting on revised monthly performance measures will begin by April 22, 2004.
PMR6	Management Information	Determine the actual capacity of plan review resources. This is critical to evaluating performance goals and production values. Also, compute goals for actual number of working days to complete plan review and related statistics and include those into employee performance evaluation.	We are supportive of this recommendation. The Department's on-going implementation of our Project Tracking System management reports module will provide us with the necessary tools to determine the capacity and evaluate the performance of project reviews at departmental, sectional and individual levels.
PMR7	Management Information	Publish how all measurement goals are calculated and by whom. This will remove some of the mystery from the evaluation process.	Will document after new Balance Scorecard Performance Measures are implemented by April 22, 2004.



Item	Category	Recommendation	Status
PMR8	Management Information	Continue to calculate and report the actual savings realized by implementing ZBMR recommendations as illustrated in Appendix "C". The calculated \$748,507 in savings should be reflected in the City Manager's Periodic Status Update Report. Also, the entries in that status report reflecting \$2,100,000 in increased costs as the result of implementing ZBMR recommendations should be removed. Those amounts seem to be inaccurate interpretations of the intent of original ZBMR proposed recommendations. Therefore, the actual savings from implementing ZBMR recommendations in the status report should be \$748,507 instead of \$2,100,000.	Will report estimated savings in PMR report. City Optimization Program assisting in determining estimated savings.
PMR9	Project Development	With adequate management information systems in place, continue to focus heavily on reducing the number of resubmittals required before plan approval in both the Land and Building Development Services Divisions. Establish this as a key critical success factor for each division.	In addition to utilizing management information systems in the future, the department has implemented a "Guaranteed Second Opinion Program" that allows customers to request supervisor involvement after second review cycle and management after third review cycle. The department will continue to pursue other operational changes including more over-the-counter services to further reduce review cycles for projects
PMR10	Project Development	Concentrate on expanding the Self-Certification Program to be used by more customers and to cover more applicable areas of planning review. Solicit and obtain direct feedback from developers and architects on the parameters and scope of the program.	The self-certification program for engineering approvals is currently being reviewed for expansion. In addition, in conjunction with the American Society of Landscape Architects and the TAC, the department has developed a self certification for landscape approvals to be implemented this spring. Representatives from TAC and the AIA are also currently studying self certification for building approvals.

PMR11	Project Development	Reduce the conflict and problems between the plan check and inspection functions by continuing to promote communications and by instituting a procedure to require dual sign-off between the two functions for appropriate projects.	<p>The following steps have been recently implemented to improve communications and consistency between plan check and inspection staff:</p> <ol style="list-style-type: none"> <li>1. Plan review and inspection services divisions have been reorganized to report to the Chief Building Official to improve communications, accountability, consistency and uniformity of code application among staff of both divisions.</li> <li>2. Regular meetings between plan checkers and inspectors will be held.</li> <li>3. Senior staff representing Inspection Services will attend staff meetings of plan check division to highlight and share areas of concern raised by the inspection staff.</li> <li>4. Senior staff representing Inspection Services will attend code group meetings where technical issues needing resolution are discussed, resolved and then communicated to both plan check and inspection staff.</li> <li>5. Monthly joint meetings of senior staff of both divisions are held to discuss technical and procedural issues and concerns affecting both divisions.</li> <li>6. Workload permitting, plan check staff will participate in performing inspections along with the inspector to improve communications, consistency and uniformity of code application among both divisions.</li> <li>7. Joint technical training sessions will be provided to staff of both divisions.</li> <li>8. New technical policies and interpretations are being documented and published to staff of both divisions.</li> <li>9. Chief Building Official attends staff meetings of both divisions on regular basis.</li> </ol>
PMR12	Project Development	Take full advantage of the Technical Advisory Committee to provide an independent view of department operations and to provide suggestions for product and services improvement and innovation. Also use that group to help define performance standards for the department.	The Technical Advisory Committee meets monthly to review Development Services operations and provide recommendations on efficiency and service enhancements. We are currently working with TAC and the City's Optimization Program to develop new performance measures with focus in the areas of customer service, process time and quality, staff training and skills, and cost accounting.

PMR13	Project Development	Continue to promote the use of Cover Sheet Templates and consider extending the use of those tools where appropriate.	Building Development Review templates are available on the department web site referenced in the submittal requirements checklist which was published in August 2003 to promote use of the templates.
PMR14	Project Development	Conduct a detailed analysis of the 5% of building plan reviews that require more than two cycles. This may reveal some important weaknesses in the process that can substantially improve overall performance and customer satisfaction.	A process will be developed to analyze projects that go into more than two cycles in the next year to assess weaknesses in the system and make changes to improve delivery of services.
PMR15	Marketing	Conduct a focused initiative to actively promote and explain any and all existing and new programs, resources tools, etc., that can facilitate the customer in utilizing Development Services products and services. This will help customers understand and appreciate the efforts and dedication that the department truly demonstrates.	A large display covering one wall of our main lobby was created to showcase and promote new programs and helpful resources for customers. The department produces a six-page newsletter four to six times each year, explaining all new programs and services and providing updated information on existing programs and services. The department has created a variety of new brochures to help customers use our services. These include a permitting guide for small business owners; Homeowners Saturday Service; a guide to the Guaranteed Second Opinion program to help customers resolve any disputes. The department goal is to hold 30 customer seminar sessions annually.
PMR16	Marketing	Publish departmental standards and performance measurement metrics on the website and via other communications media to alert customers to the realistic expectations, obstacles, etc., that are inherent to the building and land planning processes.	DSD plan review turnaround times (Goal and Actual) have been established for all different project types (Building, Discretionary and Engineering) and for all three processing categories (express, expedite, standard). These turn-around times are updated on a weekly basis by reviewing disciplines and workload managers. The turn-around times format will be finalized and available at the application counter and on our department website.
PMR17	Marketing	Continue to respond to customer suggestions and include that important stakeholder in strategic planning and development activities.	We strongly support this recommendation
PMR18	Comments at Sept 4 meeting	Consider adding the resubmittal rates to your performance measures so that the number of resubmittals can be better tracked.	Project tracking system will be able to monitor resubmittal rates for various approval types. Resubmittal and reinspection rates are included in the performance measures we are developing with the assistance of the Technical Advisory Committee.

PMR19	Comments at Sept 4 meeting	Consider conducting joint meetings including plan check & inspectors to ensure everyone is always aware of new codes/standards.	See PMR 11 Response
PMR20	Comments at Sept 4 meeting	Address the issues of inconsistencies between inspectors.	<p>The Inspection Services Division has initiated multiple programs to handle the issue of inconsistencies among the inspection staff. This includes the following:</p> <ol style="list-style-type: none"> <li>1. Issues of inconsistency are discussed at regularly scheduled staff meetings.</li> <li>2. A formal technical training program is being developed and will be implemented in the near future. Issues of inconsistency will be some of the primary areas of training for staff. Some of these training sessions will be joint sessions among different disciplines.</li> <li>3. A bi-weekly meeting of senior inspection staff of different disciplines is being implemented to discuss and provide policy direction for inspection staff on code application and other policy issues.</li> </ol>
PMR21	Comments at Sept 4 meeting	Look into other successful self-certification processes	See PMR 10
PMR22	Comments at Sept 4 meeting	What is the department doing to leverage the internet to obtain feedback from citizens.	A department on-line web survey will be developed. A customer service survey consultant will help design the survey.
PMR23	Comments at Sept 4 meeting	What is the department doing to better help its very differing category of users?	Homeowner's Day permit services for homeowners has been open every Saturday since May 2003. Small Business Development Seminars are being offered every month from January 2004 to May 2004. Development Service implemented a department liaison to work with small businesses. The Affordable Housing Program assists customers and expedites the development of affordable housing.

## **APPENDIX D**

### **REGULATION RELIEF EXAMPLES**

**APRIL 7, 2004**

Following are some examples of Regulations including relief suggestions in small or medium sized projects that can cause disproportionate processing cost or time increases unique to San Diego. The list is not in priority order.

1. Standardized setbacks on residential lots: Go back to standardized setbacks in residential zones instead of the variable setbacks based on lot width. (This would reduce the number of non-conforming properties, reduce staff and applicant error in application of the regulations and simplify the process.)
2. Single Family Coastal Exemption: Allow a new single-family residence to be constructed in the coastal zone without a discretionary permit, unless it is located on a site that contains environmentally sensitive lands. (Note: this exemption was passed several years ago by council and has been pending before the coastal commission since 1997.)
3. Allow for a change in use for small businesses of 5,000 sq. ft. or less without meeting new parking criteria, except for convenience stores with or without liquor sales (i.e., a book store could become a hair salon without needing to add parking, or a dance studio could take the space of a dress shop without needing to provide parking and new landscaping. A small restaurant could open without parking...). This would allow for more diversity of small business and increase small business viability in older parts of the community whose business base is changing.
4. Make tandem-parking allowances uniform throughout the city.
5. Increase density levels on commercial sites being proposed for mixed-use where residential density is limited to 1 du/1500 sq. ft. of lot area. Increasing density to 1 du/800 sq. ft. would make mixed-use more financially feasible. Require discretionary hearing and approval for this density increase.
6. Make projects subject to PDO's ministerial when they comply with the provisions of the PDO. Currently PDO's spell out detailed design requirements, and even when the project meets all of these specific requirements they must obtain a site development permit and go to a process 3 hearing.
7. Make certain limited uses permitted by right rather than through CUP/NUP (i.e., gas stations in commercial or industrial zones currently require a CUP).
8. Exempt projects that fully comply with environmentally sensitive lands regulations (no deviations being requested) from site development permits.
9. Modify the environmentally sensitive land regulations so that non-native grassland that is outside of the MSCP/MHPA area is no longer regulated. In other words, an owner of a lot that has been previously graded and has had it grow in as non-native grasslands would be able to develop the lot without mitigating for the non-native grassland or require a site development permit when the site is outside of

the MSCP/MHPA area.

10. Lower the buffer distances to environmentally sensitive lands for development to within 35 feet from the 100 feet currently required. This means, for example, on lots with a single-family dwelling, a person doing a room add in the front of their house on a lot which backs onto a canyon has to go to a discretionary hearing to do this because the room is within 100 feet of the edge of a canyon! Most housing lots are not very deep, and this seems to be an inappropriate amount of regulation and cost for room additions. Maybe swimming pools should be exempt from this requirement as well. New development that sets back forty feet from a canyons edge would also be allowed without a hearing if this change is made.